

TDR 101: The Mechanics of the Tool

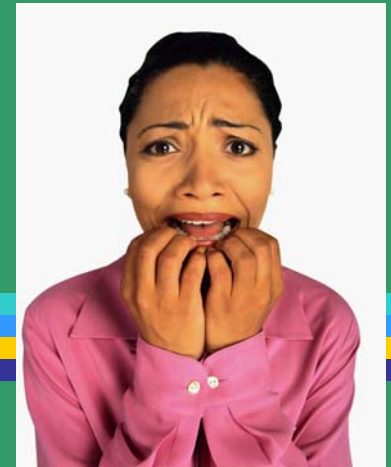
TDR Summit

University Inn and
Conference Center at
Rutgers

June 8, 2007

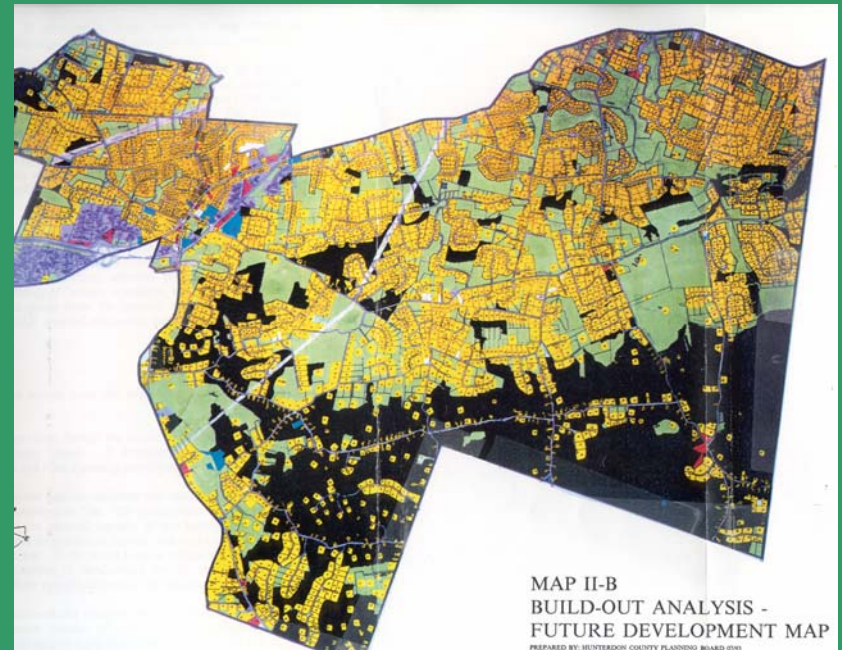
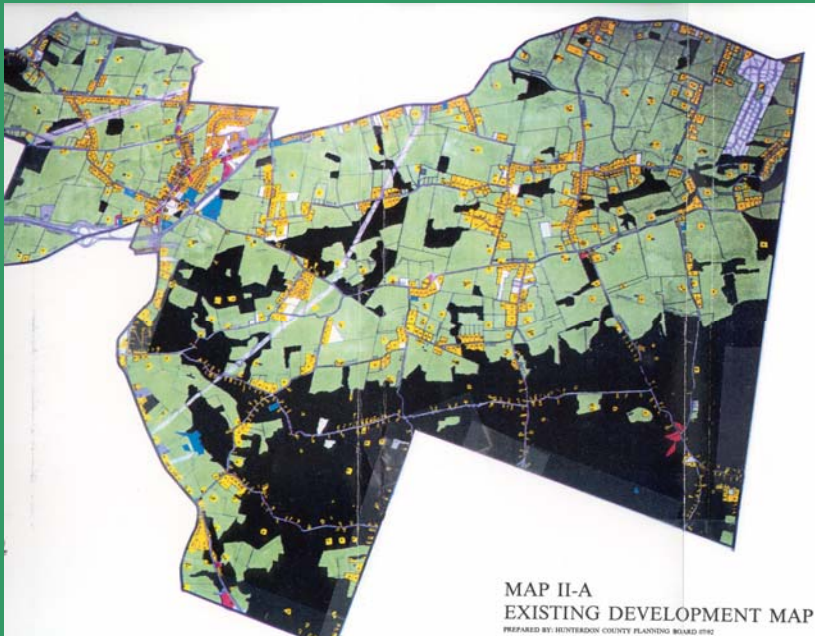


The Problem



Know thy zoning...

What does build-out really look like? (Yikes!)



The Problem

What are the community's options?

- Do Nothing
 - Lose the Community to Sprawl
- Major Down-zoning
 - Negative equity impacts
 - Impair agricultural viability
 - Lack of comprehensive planning
 - Lack of permanent land protection
- Try to “Buy it All” – won’t get the job done



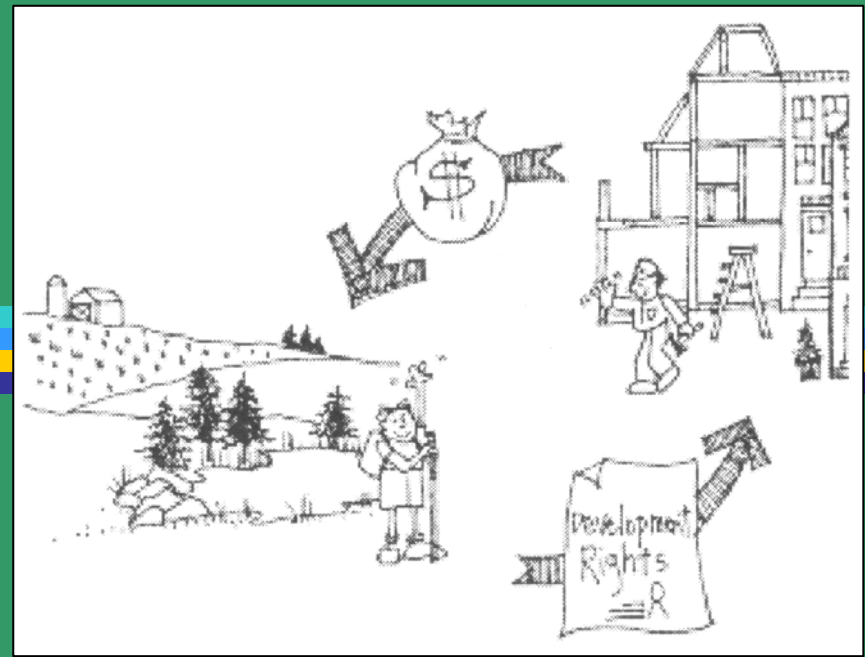
The Solution: TDR

- Balancing Scales of Equity
- Eliminating the “Windfall & Wipeout” of Traditional Zoning
- Proactive Planning for Development
- Large Scale Permanent Preservation
- 1989 Pilot Legislation
 - Burlington County TDR Demonstration Act
- 2004 Statewide Enabling Legislation
 - State Transfer of Development Rights Act



What Is TDR?

- Clustering of development on a township wide, not parcel specific, basis
- Transfer of development potential from one parcel to another
- Effects:
 - Preservation of land from which development potential is transferred
 - Increased development density on land to which development potential is transferred



Elements of a TDR Program

- Resource Protection (“Sending Area”)
 - Goals and objectives
 - ID resource to be protected
- Allocating Development Potential
 - Existing zoning & environmental constraints
- Transfer Mechanism
 - Deed restrictions
 - Prohibitions / allowances



Elements of a TDR Program

● Planning for Development (“Receiving Area”)

- Infrastructure availability
- Transportation efficiency
- Size
- Environmental constraints
- Gross and net densities
- Open space requirements
- Design standards



● Public/Education Public Acceptance

TDR Credit Mechanics

- ALLOCATION: Determination of the number of credits a Sending Area property will have available for transfer
- ENROLLMENT: Sending Area landowner enrolls TDR credits
 - Causes deed of easement to be recorded
 - Township assigns TDR credit serial number
- TRANSFER: Landowner transfers (sells) credits to developer (recorded event)
- EXTINGUISHMENT: Developer demonstrates ownership of TDR credits in order to receive building permits
 - Credits are Retired (Recorded Event)



Benefits of a TDR Program

- To Landowner

- Access to land equity
- More \$\$\$ than easement purchase?
- More flexible restrictions?

- To Municipality

- Knowledge of full build-out
- Comprehensive plan
- Large scale preservation

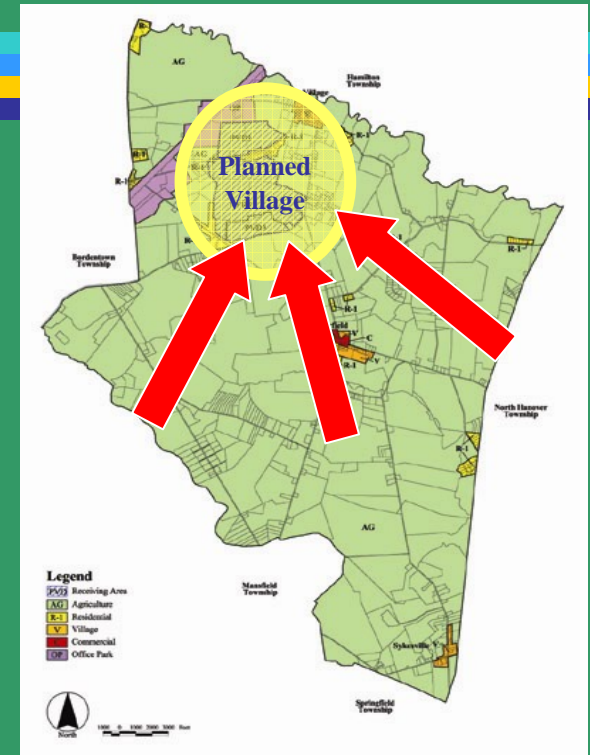
- To Developer

- An alternative to “No Growth”
- Town welcomes development
- Do well by doing good



Voluntary vs. Mandatory TDR

- “Mandatory” TDR
 - Sending Area significantly “downzoned”
 - TDR is only equity opportunity for landowners
- “Voluntary” TDR
 - Sending Area not downzoned; landowners retain underlying zoning
 - TDR is an option, not a requirement, to access land equity



Effects of TDR

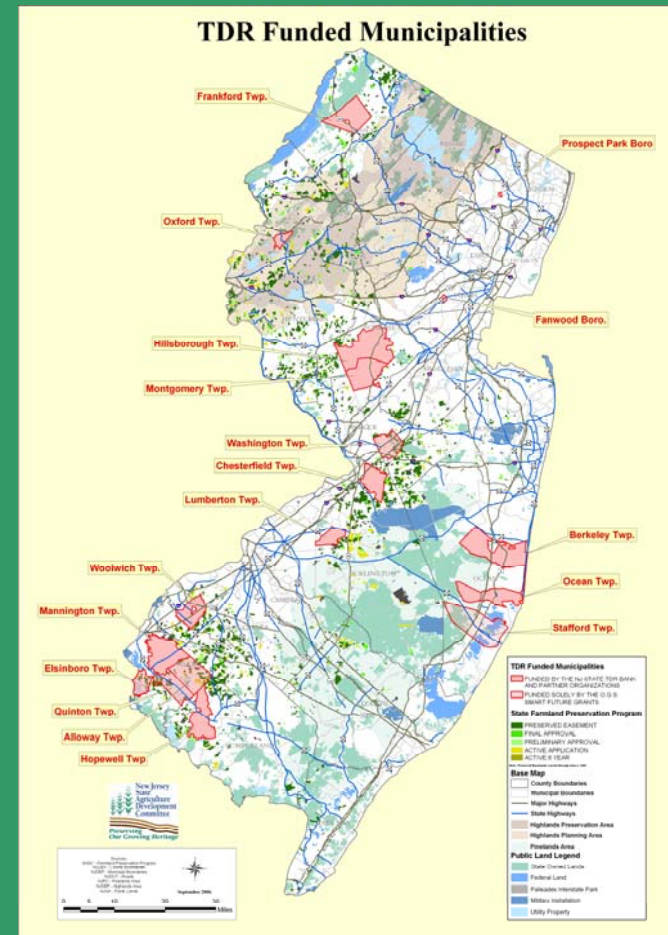


- Preservation of land through private - not public - purchase of development rights
- Requires comprehensive, detailed planning
- Permanent preservation of vast areas of land
- Likely will cause an increase in the rate of growth
- Not a “no-growth” planning tool



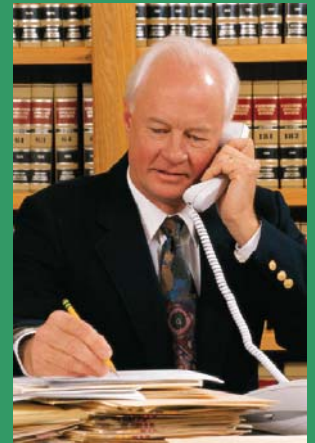
What Experience has Taught Us

- Voluntary programs can work when market is not absorbing existing zoning and/or if adequate incentives are provided
- TDR inherently technical - requires significant planning investment
- TDR is a flexible planning tool that can be tailored to local conditions & goals
- Public outreach and input is critical



Lessons Learned

- Voluntary programs have been often been necessary to prove viability of TDR
- Desire to preserve lands initiates TDR
- Development and Design of the Receiving Area drives TDR
- Availability of infrastructure is core planning issue for Receiving Area
- TDR will not happen without **BOLD LEADERSHIP** at the local level



Implementing the State TDR Act

....will depend on us!

